

Summary of Consolidated Financial Statements
for the Third Quarter of the Fiscal Year Ending March 2014 (J-GAAP)

February 12, 2014

Company Name: Tamagawa Holdings Co., Ltd.	Listing: JASDAQ (Tokyo Stock Exchange)
Stock Code: 6838	URL: http://www.tmex.co.jp/
Representative: Toru Masuzawa, President	
Contact: Akihiro Ushiroda, Manager	Tel: +81-3-6435-6933
Scheduled Date of Filing Quarterly Securities Report: February 13, 2014	
Scheduled Commencement Date of Dividend Payout: —	
Quarterly Earnings Supplementary Explanatory Documents: None	
Quarterly Earnings Presentation: None	

(All amounts are rounded down to the nearest million yen)

1. Consolidated Results for the Third Quarter of Fiscal Year Ending March 31, 2014
(from April 1, 2013 to December 31, 2013)

(1) Consolidated Financial Results (cumulative) (Percentages indicate changes from the year-earlier period)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
3Q FY 2014	2,738	7.8	316	25.6	318	32.3	305	23.2
3Q FY 2013	2,540	21.3	252	—	240	—	247	—

Note: Comprehensive Income: 3Q FY 2014: ¥307 million (22.2%) 3Q FY 2013: ¥251 million (—%)

	Net income per share	Net income per share after dilution
	¥	¥
3Q FY 2014	25.14	23.03
3Q FY 2013	37.70	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	¥ Million	¥ Million	%
3Q FY 2014	3,644	2,507	68.6
FY 2013	2,709	1,750	63.4

Reference: Shareholders' Equity: 3Q FY 2014: ¥2,501 million FY 2013: ¥1,718 million

2. Cash Dividends

	Annual Dividends				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total
	¥	¥	¥	¥	¥
FY 2013	—	0.00	—	0.00	0.00
FY 2014	—	0.00	—	—	—
FY 2014 (forecast)	—	—	—	—	—

Note: Revision of the latest released dividend forecast: None

Note: Year-end dividend projections for the fiscal year to March 2013 are indeterminate.

3. Forecast for the Fiscal Year Ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Percentages indicate year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net income per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥
Year to March 31, 2014	4,504	22.7	493	32.2	488	30.4	449	32.3	41.80

Note: Revision of the latest released financial results forecast: None

***Notes**

(1) Changes in important subsidiaries during the period under review (nine months): None
(Changes in subsidiaries accompanying change in the scope of consolidation)

New: (Company names:)
Excluded: (Company names:)

(2) Application of special accounting treatment in the preparation of quarterly consolidated financial statements: None

(3) Change of accounting policies; change and/or restatement of accounting estimates

1) Changes in accounting principles caused by revision of accounting standards: None

2) Changes in accounting principles other than those mentioned above: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of shares issued and outstanding (shares of common stock)

1) Number of shares outstanding (including treasury stock) at end of period	3Q FY 2014	13,753,000 shares	FY 2013	10,753,000 shares
2) Number of treasury stock at end of period	3Q FY 2014	204,374 shares	FY 2013	203,493 shares
3) Average number of shares outstanding during the period under review (consolidated quarter results)	3Q FY 2014	12,142,853 shares	3Q FY 2013	6,750,643 shares

* Statement concerning the status of implementation of quarterly review procedures

This summary of quarterly financial statements is not the subject of audit procedures pursuant to the Financial Instruments and Exchange Act. At the time of disclosure of this summary of quarterly financial statements, the review procedures of quarterly consolidated financial statements pursuant to the Financial Instruments and Exchange Act have not concluded.

* Cautionary statement with respect to forward-looking statements

The forward-looking statements such as the forecasts for the business performance described in this document are based on the judgments made by the Company in accordance with information currently available that is rational. For this reason, actual results may differ from these forecasts due to a number of factors, including but not limited to the operating environment. For the underlying assumptions and usage of earnings projections refer to "Explanation of consolidated earnings estimates and forward-looking information" on page 4 of the Attachment.

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of business results

The Japanese economy in the period under review, although overshadowed by weakness in Europe and concerns over stagnating emerging economies, displayed strengthening signs of improving domestic business amid growth expectations inspired by a range of policy measures instituted by the new government, specifically accommodative monetary policy steps, and attended by progressive weakening of the yen and rising share prices. However, conclusive ripple effects in the real economy have yet to materialize, leaving the further outlook uncertain.

In this operating environment, the Group worked on strengthening business development in its main business lines in Electronics and Telecommunications Equipment Business operations, centered on markets related to 3.9G mobile telecommunications equipment, defense, and wireless technology applications for public infrastructure and disaster prevention. Moreover, demand from newly developed customers and new market fields increased as a result of efforts to impart high added-value on products and expand and develop the Company's business fields, and aided by maximum usage of synergy effects from operating alliances. Furthermore, measures have been continuing to strengthen business platforms centered on enhancing earnings through improvement activities surrounding operations.

The Group's Solar Business Division operations (collectively meaning the Solar System Sales Business operations and Solar Power Plant Business operations; the same applies in the following.) experienced rising user interest in renewable energy, especially regarding solar energy power generation, prompted by the enactment of the "Act on Special Measures concerning the Procurement of Renewable Electric Energy by Operators of Electric Utilities" (hereinafter, "Renewable Energy Special Measures Act").

As a result of the developments described in the foregoing, consolidated order receipts reached ¥3,550 million (+21.7% compared with the year-earlier period). Sales revenue totaled ¥2,738 million (+7.8% compared with the year-earlier period). Earnings increased compared with the year-earlier period, marking operating income of ¥316 million (+25.6% compared with the year-earlier period), ordinary income of ¥318 million (+32.3% compared with the year-earlier period), and net income for the period of ¥305 million (+23.2% compared with the year-earlier period).

Electronics and Telecommunications Equipment Business operations, despite continued harsh conditions amid intensifying price competition in the market for telecommunications infrastructure, have been seeing increased facility investment in the field of mobile telecommunications due to measures of telecommunications carriers to improve service quality and resolve incidence of weak or no signal reception. At the same time, demand has been rising in the public works sector driven by factors such as the government's supplemental budget, with expectations that in social infrastructure the wireless market will remain solid. Backed by this demand growth in the market for telecommunications infrastructure, the Company will continue to expand its business terrain and strengthen its operations improvement activities with a view to increase earnings.

In order to expand sales routes nationwide in Japan for the Group's Solar System Sales Business operations, internal frameworks will be put into place and sales and marketing activities will be further strengthened.

Moreover, Solar Power Plant Business operations will aim to provide at the Group-level stable power supply so as to contribute to local communities and society at large. To this end, the Group will endeavor to create integrated frameworks spanning the width from securing land for power plants to the initiation of electric power sales and in this way promote earnings growth.

Results by business segment are described below.

1. Electronics and Telecommunications Equipment Business operations

Investment in base station equipment by mobile telecommunications carriers has been on the rise, and also public works investment in public wireless related equipment has been continuing, albeit at a moderate pace. As a result, new orders marked ¥2,810 million (+6.4% compared with the year-earlier period), with sales revenues of ¥2,235 million (-2.7% compared with the year-earlier period). Segment income rose to ¥327 million (+3.9% compared with the year-earlier period) thanks to operations improvement measures.

2. Solar System Sales Business operations

New order receipts posted ¥739 million (+271.4% compared with the year-earlier period) with sales of ¥466 million (+179.1% compared with the year-earlier period) and segment income of ¥32 million (compared with a segment loss of ¥29 million in the year-earlier period). Main factors were gradually rising orders at Solar System Sales operations since the taking of effect of the Renewable Energy Special Measures Act.

3. Solar Power Plant Business operations

Following the completion of the large-scale solar energy power plant under construction in Shimonoseki city, Yamaguchi prefecture, power sales commenced in the third quarter. Revenue recognition for power sales generated by the plant started in July 2013, but due to prior initial expenditures for other solar energy power plant projects currently under way, a segment loss of ¥21 million (compared with a segment loss of ¥3 million in the year-earlier period) resulted on sales of ¥36 million (no sales revenues were recorded in the year-earlier period). Power sales at the Shimonoseki solar energy power plant are developing to plan and earnings performance is expected to be favorable.

Although the uncertain economic environment points to unchanged adverse operating environment, the Company will nonetheless continue to promote earnings growth at each business segment combined with efforts at business restructuring.

(2) Explanation of financial position

Total assets

Total consolidated assets at the end of the period under review amounted to ¥3,644 million, up ¥935 million from the end of the previous fiscal year.

This was mainly due to an increase in cash and deposits.

Total liabilities

Total consolidated liabilities at the end of the period under review amounted to ¥1,137 million, up ¥178 million from the end of the previous fiscal year.

This was mainly due to an increase in short-term borrowings.

Net assets

Consolidated net assets at the end of the period under review amounted to ¥2,507 million, up ¥756 million from the end of the previous fiscal year.

This was mainly due to net income for the period and proceeds from the exercise of stock warrants.

(3) Explanation of consolidated earnings estimates and forward-looking information

The earnings estimates released on May 13, 2013, remain intact.